

KHPA FY 2010 Budget Options

Health Reform Budget Proposal: Health Information Technology and Exchange

Description: Provide funding to advance a statewide system of health information infrastructure including technical assistance for health care providers who want to leverage information technology in their practices

Background: Health information exchange (HIE) has the potential to improve efficiency, quality of care and patient safety as well as help inform health care consumers. In 2007 Governor Sebelius issued an executive order creating the Kansas Health Information Exchange Commission which issued a report outlining a strategy to advance a statewide system of health information infrastructure. That report identified leadership and resource needs as key issues to supporting and stimulating HIE on a statewide level. In February 2008, Governor Sebelius asked KHPA to serve as the lead agency in guiding the development and administration of statewide health information technology and exchange. She requested KHPA to establish a Kansas E-Health Information Advisory Council to provide guidance on policy issues related to health information technology and on a resource center for stakeholders.

One initiative KHPA has pursued in the area of health information technology is a community health record (CHR). The CHR currently is a pilot project which engages select managed care organizations and an information technology company to deploy CHR technology to Medicaid managed care providers in Sedgwick County. The health record is built on administrative claims data and provides clinicians electronic access to claimed medical visits, procedures, diagnoses, medications, immunizations and lead screening data. The CHR pilot contains an e-Prescribing component that provides a drug interaction and contraindication tool. The prescriber may access formulary information and has the capacity to submit prescriptions to pharmacies electronically.

The goal of the CHR pilot was to assess the value that health information exchange (HIE) could offer to Medicaid providers and beneficiaries. The CHR pilot was launched in February 2006 in 20 Medicaid provider sites, with over 5,000 unduplicated Medicaid beneficiaries' records accessed by 215 CHR providers in Sedgwick County. In 2007, the Sedgwick County pilot was expanded to include an additional 20 sites.

The State Employee Health Plan initiated participation in an employer-based community health record in the Kansas City area, which is home to about 11,000 state employees.

The proposal would make a CHR available statewide based on insights gleaned from the Medicaid CHR pilot in Sedgwick County and the State Employee Health Benefit Plan employer-based CHR pilot in the Kansas City area. A CHR would be delivered through web-based software provided by a vendor selected through a competitive bidding process.

Population Impacted: When the CHR is fully phased-in (in FY 2015) the 363,184 Kansans enrolled in Medicaid and HealthWave and the 83,028 Kansas state employees/dependents/retirees would benefit from this policy.

By allowing clinicians to access this information, cost savings can be realized by ensuring continuity of care, avoiding duplicative tests and procedures, lowering emergency department expenditures and reducing in-patient admission and out-patient visits due to incomplete data. The e-Prescribing component reduces the risk of medication error caused by inadequate or unavailable patient information and increases safety and health outcomes associated with prescription generation.

Budget Impact: In FY 2010 statewide expansion of the CHR would cost \$1,096,000, including \$383,600 from the State General Fund. Of that amount, \$225,000 would be for administrative costs.

Board Action: